

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

STATION AND BRANCH OPTIMIZATION AND
CONSOLIDATION INITIATIVE, 2009

Docket No. N2009-1

NOTICE OF THE UNITED STATES POSTAL SERVICE
OF FILING OF LIBRARY REFERENCE N2009-1/7
AND APPLICATION FOR NON-PUBLIC STATUS
(September 2, 2009)

In accordance with Rule 31(b)(2), the United States Postal Service hereby provides notice that today it is filing the following Category 3 Library Reference:

USPS LR N2009-1/7 List of Postal Retail Stations and Branches
That Report To EAS-24 And Above Postmasters

This Library Reference is being filed in response to Question 15 of Commission Information Request No. 1. In accordance with 39 C.F.R. § 3007.21 and for the reasons expressed in the Attachment to this notice, the Postal Service has redacted the facility-specific finance numbers from the public version of the Library Reference. A non-public version containing those finance numbers also is being filed.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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ATTACHMENT 1

APPLICATION OF THE UNITED STATES POSTAL SERVICE FOR NON-PUBLIC TREATMENT OF MATERIALS

In accordance with 39 C.F.R. § 3007.21 and Order No. 225,¹ the United States Postal Service (Postal Service) hereby applies for non-public treatment of certain materials filed with the Postal Regulatory Commission (Commission) in this docket. In particular, the Postal Service requests that the facility finance numbers associated with the lists requested by the Commission in questions 15 and 16(a) of Commission Information Request No. 1² be kept confidential. Non-public versions of these lists will be filed under seal In accordance with 39 C.F.R. § 3007.10(a), while redacted copies will be filed in accordance with 39 C.F.R. § 3001.9. The Postal Service hereby furnishes the justification required for this application by 39 C.F.R. § 3007.21(c), below.

(1) The rationale for claiming that the materials are non-public, including the specific statutory basis for the claim, and a statement justifying application of the provision(s);

A finance number is an assigned six-digit or 10-digit number that identifies a postal installation for processing its financial data.³ In a way, it is akin to a social security number, in that if one knows the finance number for a facility, one could determine a wealth of financial data associated with that facility. Such information is information of a commercial nature, which under good business practice would not be publicly disclosed. It is also information that if, released, could compromise security, which is why the Postal Service controls the internal release of finance numbers. In the

¹ PRC Order No. 225, Final Rules Establishing Appropriate Confidentiality Procedures, Docket No. RM2008-1, June 19, 2009.

² Commission Information Request No. 1, Docket No. N2009-1, July 29, 2009.

³ U.S. Postal Service, Publication 32, Glossary of Postal Terms (2007).

Postal Service's opinion, this information would be exempt from mandatory disclosure pursuant to 39 U.S.C. § 410(c)(2) and 5 U.S.C. §§ 552(b)(2,-3)⁴

Finance numbers are also related solely to the internal rules and practices of the Postal Service, and are internal matters of a relatively limited value outside the Postal Service. On its own, the finance number of a facility does not reveal anything of significance to the public, but it constitutes a key that permits coordination of various internal accounting systems. In the Postal Service's opinion, this information would be exempt from mandatory disclosure pursuant to 5 U.S.C. § 552(b)(2)(a).

Because the Postal Service seeks to protect information that is not required to be publicly disclosed, the Postal Service asks the Commission to support its determination that these materials are exempt from public disclosure by granting its application for non-public treatment for finance numbers. The Commission has routinely recognized the sensitive nature of finance numbers in the past.

(2) Identification, including name, phone number, and email address for any third-party who is known to have a proprietary interest in the materials, or if such an identification is sensitive, contact information for a Postal Service employee who shall provide notice to that third party;

No third parties have a proprietary interest in the materials.

(3) A description of the materials claimed to be non-public in a manner that, without revealing the materials at issue, would allow a person to thoroughly evaluate the basis for the claim that they are non-public;

⁴ In appropriate circumstances, the Commission may determine the appropriate level of confidentiality to be afforded to such information after weighing the nature and extent of the likely commercial injury to the Postal Service against the public interest in maintaining the financial transparency of a government establishment competing in commercial markets. 39 U.S.C. § 504(g)(3)(A). The Commission has indicated that "likely commercial injury" should be construed broadly to encompass other types of injury, such as harms to privacy, deliberative process, or law enforcement interests. PRC Order No. 194, Second Notice of Proposed Rulemaking to Establish a Procedure for According Appropriate Confidentiality, Docket No. RM2008-1, Mar. 20, 2009, at 11.

The materials at issue are the finance numbers associated with each station and branch, information requested by the Commission in questions 15 and 16(a) in Commission Information Request No. 1 in this docket.

In her testimony, postal witness VanGorder stated that she would provide to the Commission a list of stations and branches which would be candidates for review under the Station and Branch Optimization and Consolidation Initiative.⁵ Question number 15 requests that this list be provided in electronic format, and include for each facility in that list: (1) the facility name; (2) the physical address, city, state, ZIP Code, postal District and Area; (3) whether or not the facilities are leased or owned by the Postal Service; (4) the number of Post Office boxes per facility; (5) finance number; (6) FY 2008 revenues; and (7) FY 2008 costs.

In a motion filed on September 1, 2009⁶, the Postal Service indicated that it would include all the above-requested data for approximately 750 stations and branches as part of a supplement to USPS Library Reference N2009-1/4 in this docket.

Question 16(a) refers to a table filed in postal witness Matalik's testimony, which reports recently closed stations and branches.⁷ For each facility reported in that table, the Commission requests that the Postal Service provide (1) the facility name; (2) the physical address, city, state, ZIP Code, postal district and area; (3) whether or not the facilities are leased or owned by the Postal Service; (4) the number of Post Office boxes

⁵ Direct Testimony Of Alice M. VanGorder On Behalf Of United States Postal Service, USPS-T-1 at 8, n.5.

⁶ Motion Of The United States Postal Service For Acceptance By The Commission Of A Partial Response To Question 15 Of Commission Information Request No. 1, Sep. 1, 2009.

⁷ Direct Testimony Of Kimberly I. Matalik On Behalf Of United States Postal Service, USPS-T-2 at 6, Table 1.

per facility; (5) finance number; (6) final full year revenues; (7) final full year costs; and (8) date of closure.

In connection with its Notice filed in this docket, the Postal Service included an update to USPS Library Reference N2009-1/4 as described, and also furnished Library Reference N2009-1/11 to respond to question 16(a). These materials were filed under seal, with redacted copies filed publicly.⁸ The Postal Service maintains that the redacted finance numbers should remain confidential.

(4) Particular identification of the nature and extent of commercial harm alleged and the likelihood of such harm;

If the portions of the contract that the Postal Service has determined to be protected from disclosure due to their commercially sensitive nature were to be disclosed publicly, the Postal Service considers it quite likely that it would suffer commercial harm.

It has long been the practice of the Postal Service to avoid publicly filing its finance numbers. In fact, when the Postal Service has been required to file information that would allow for the comparative analysis of facilities, the Postal Service has gone to great length and expense to replace finance numbers with dummy numbers, in order to protect the financial data of its facilities.

As stated before, a finance number is an assigned six-digit or 10-digit number which identifies a postal installation for processing its financial data. If someone were to come across such a document where facilities are identified purely by finance number, in and of itself that may not cause much harm. However, if that someone was a

⁸ The public version of the response to question 16(a) was filed as an attachment to the Responses of United States Postal Service Witness Matalik to Commission Information Request No. 1 (Questions 16 and 20), Aug. 28, 2009.

competitor who was also provided a key that identified the facility name and address associated with each finance number, that person could potentially have access to a wealth of financial data associated with respective facilities. Such information could, for example, be used to ascertain the best locations to establish competing businesses, perhaps plan theft of materials being transported by the Postal Service, or target the business of Postal Service customers.

(5) At least one specific hypothetical, illustrative example of each alleged harm;

Identified harm: Revealing finance numbers could cause commercial harm to the Postal Service.

Hypothetical: The facility finance numbers in both lists are revealed to the public, beside the name and physical location of each facility. A competing expedited delivery service comes across an internal Postal Service document that lists large Express Mail customers according to the office of entry, each of which is identified by finance number. The release of the station and branch finance numbers matches a number on the list, telling the competitor where to target its marketing efforts. By using the lists filed in this docket, the competitor is able to identify some of the retail locations that take in large amounts of Express Mail. Consequently, the competitor decides to focus expedited delivery business in those locations.

Identified harm: Revealing finance numbers could cause commercial harm to the Postal Service.

Hypothetical: The facility finance numbers in both lists are revealed to the public, beside the name and physical location of each facility. A member of the public comes across a document that reveals the volume of Registered Mail processed by each facility, by finance number. By using the lists filed in this docket, he is able to determine that a large volume of Registered Mail is taken in at a retail location nearby, therefore attempts to rob that retail location.

(6) The extent of protection from public disclosure deemed to be necessary;

Because of the amount of financial data associated with finance numbers, the Postal Service maintains that the redacted portions of the materials filed non-publicly should be withheld from all persons except those members of the Commission who need to see this information for purposes of this docket.

(7) The length of time deemed necessary for the non-public materials to be protected from public disclosure with justification thereof; and

The Postal Service believes that finance numbers should be protected permanently and asks the Commission to extend the duration of non-public status of that information indefinitely. As discussed above, finance numbers are akin to social security numbers disclosure of customer-identifying information leaves the Postal Service vulnerable to competitive “cherry-picking.” Therefore, the Postal Service seeks indefinite non-public treatment of the customer’s name, address, and other identifying information in the non-public materials.

(8) Any other factors or reasons relevant to support the application.

None.

Conclusion

For the reasons discussed, the Postal Service asks that the Commission grant its application for non-public treatment of the finance numbers for the facilities in both lists. The Postal Service further requests that the Commission order that the duration of such treatment be extended indefinitely.